

**LAYBUY GROUP HOLDINGS LIMITED**  
**CORPORATE GOVERNANCE STATEMENT**  
**FINANCIAL YEAR ENDED 31 MARCH 2021**

**INTRODUCTION**

The Board of the Company is responsible for implementing and overseeing the corporate governance practices of the Company and its subsidiaries (the **Group**).

The Board has developed a corporate governance framework having regard to:

- the recommendations set out in the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**); and
- the scale and nature of the Group's business and operations.

This framework includes the Charters under which the Board and its Committees operate, the Company's Code of Conduct and the Policies referred to in this Corporate Governance Statement. All of these documents are available on the Company's website at <https://laybuyinvestors.com/investor-centre>.

This Corporate Governance Statement reports against the 4<sup>th</sup> edition of the Principles and Recommendations for the reporting period 1 April 2020 to 31 March 2021. The Company listed on ASX on 4 September 2020. From 1 April 2020 (the start of the reporting period) up until the date of listing, the Company did not comply with the majority of the Principles and Recommendations. From 4 September 2020 to the end of the reporting period (**Post-Listing Period**), the Company's corporate governance practices were consistent with a majority of the recommendations set out in the 4<sup>th</sup> edition of the Principles and Recommendations. Further details of the extent to which the Company complied with the Principles and Recommendations in the Post-Listing Period are set out below in the order of the Principles and Recommendations as they appear in the 4<sup>th</sup> edition.

This Corporate Governance Statement is current as at 9 July 2021 and has been approved by the Board.

**PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

**Respective roles of Board and management**

The Board operates in accordance with the principles set out in the Company's Board Charter. The Board Charter is available on the Company's website. The Charter sets out the roles and responsibilities of the Board and management, including those matters expressly reserved to the Board and those delegated to management. The Charter also sets out the specific roles and responsibilities of the Chair of the Board.

*Roles and responsibilities of the Board*

Under the Board Charter, the Board is ultimately responsible for the overall direction of the Group and the oversight and review of the management, administration and overall governance of the Group including:

- defining the Group's purpose and demonstrating leadership;
- overseeing the strategic direction of the Group;
- establishing goals for management and monitoring the achievement of these goals;
- engaging, reviewing and replacing the Chief Executive Officer.
- creating a statement of values which underpins the culture of the Group and focussing on the Group's reputation and standing in the community in which it operates;

- establishing an appropriate risk management framework for the Group, and in doing so determining the level of risk that the Group is prepared to accept; and
- authorising policies and monitoring the effectiveness of the Group's governance practices.

The Board Charter sets out a detailed list of the Board's responsibilities in the areas of strategy and planning, reporting, risk management and internal controls, corporate governance and personnel.

#### *Roles and responsibilities of management*

The Board delegates management of the Group's resources to the senior executive team under the leadership of the Chief Executive Officer, to deliver the strategic direction and goals determined by the Board. The Board Charter sets out a list of the Chief Executive Officer's key responsibilities.

A key function of the Board, which is conducted at Board meetings, is to oversee and monitor the performance of the senior executive team. The Board relies on the senior executive team to provide the Board with accurate, timely and clear information on the Group's operations to enable the Board to discharge its responsibilities.

#### *Role and responsibilities of the Chair*

The Charter sets out specific roles and responsibilities of the Chair, which include:

- leading the Board and maintaining effective communication between the Board and management;
- ensuring the efficient organisation and conduct of the Board's function and briefing all directors in relation to issues arising at Board meetings; and
- exercising such specific and express powers as are delegated to the Chairperson by the Board from time to time.

#### **Appointment of directors and senior executives**

The Board ensures that the Company undertakes appropriate background checks before appointing a new director or senior executive, or putting forward to shareholders a candidate for election, as a director (however this will not apply to the re-election of existing directors). Background checks were undertaken in respect of all current directors prior to their appointment.

The Company will provide shareholders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

#### **Written terms of appointment**

The Company has written appointment letters or agreements with each director and senior executive individually, setting out the terms of their appointment. These documents set out the duties and responsibilities of the relevant director or senior executive, including obligations to comply with the Group's policies.

#### **Company Secretary**

The Board is responsible for the appointment of the Company Secretary. The Company has appointed a Company Secretary who is accountable directly to the Board, through the Chair. The Company Secretary is also the Company's representative for the purposes of ASX Listing Rule 12.6. The Board Charter provides that the Company Secretary is accountable directly to the Board, through the Chair, on all corporate governance matters. The name of the Company Secretary and details of his skills, experience and qualifications are contained in the Annual Report. All directors have direct access to the Company Secretary to discuss matters at any time.

#### **Diversity and inclusion**

The Group's Diversity and Inclusion Policy applies to all directors, senior executives and employees and certain third parties representing the Group such as consultants and contractors. A copy of the Policy is available on the Company's website.

Under the Diversity Policy, the Board is responsible for setting measurable objectives for achieving diversity, including gender diversity, at various levels within the Group.

The Board has set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally. The table below sets out the objectives approved by the Board and the progress towards those objectives as at 31 March 2021.

Group	Objective	31 March 2021
Board gender diversity	At least 30% female by 2022 AGM	0% female 100% male
Senior executives*	At least 40% female by 2022 AGM	50% female 50% male
Workforce generally	At least 40% female by 2022 AGM	52% female 48% male

\*Defined as direct reports of the CEO and Managing Director, Gary Rohloff.

### Board performance evaluation

No evaluation of the performance of the Board, its committees and individual directors took place in the reporting period ended 31 March 2021 given that the Company had only been listed on ASX for approximately 7 months at the end of that period.

The Board will, by the time of the 2021 AGM, formally adopt a process for periodically evaluating the performance of the Board, its committees and individual directors. This process will be disclosed in the 2022 Corporate Governance Statement. An evaluation of the performance of the Board, its committees and individual directors will be undertaken in accordance with this process during the reporting period ending 31 March 2022.

### Evaluation of performance of senior executives

Under the Board Charter, the Board is responsible for the evaluating the performance of the Chief Executive Officer and executives. An evaluation of the performance of the Chief Executive Officer for the reporting period ending 31 March 2021 was conducted by the Non-Executive Directors during March 2021 and an evaluation of the performance of other senior executives for that reporting period was conducted by the Board at the same time.

## PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

### Overview of Board and Board Committees

The Board has four directors, comprising the Managing Director and CEO, Gary Rohloff, two independent non-executive directors, Steven Fisher and Mark Haberlin, and one other non-executive director, Craig Styris, who is not considered independent. The Chair of the Board, Steven Fisher, is an independent, non-executive director.

The Company does not currently comply with Recommendation 2.4 of the Principles and Recommendations that a majority of the Board be independent.

Having considered the Company's immediate requirements in its initial stages as an ASX-listed company, the Board believes that:

- each of the two independent directors brings objective and independent judgement to the Board's deliberations;
- each of the two non-independent directors makes an invaluable contribution to Laybuy through their deep understanding of the Company's business; and
- the composition of the Board reflects an appropriate range of skills, expertise and experience for the Company in its initial stages as an ASX-listed company.

As disclosed at the time of the Company's listing, the Company intends to appoint an additional independent director to be the fifth member of the Board, so that a majority of the Board are independent directors. The Board has not yet determined a time-frame for this appointment.

To assist the Board in meeting its responsibilities, the Board currently has the following committees:

- the Audit and Risk Committee (**ARC**); and
- the Nominations and Remuneration Committee (**NRC**).

Each Committee has its own Charter approved by the Board which establishes the Committee's terms of reference and operating procedures. Copies of the Committee Charters are available on the Company's website.

Details of the composition and the nominations responsibilities of the NRC are set out below. Details of the remuneration responsibilities of the NRC are set out below in the commentary on Principle 8.

Details of the composition and the audit responsibilities of the ARC are set out below in the commentary on Principle 4. Details of the risk responsibilities of the ARC are set out below in the commentary on Principle 7.

### **Nomination and Remuneration Committee**

The NRC currently consists of three non-executive directors, two of whom are independent. It is chaired by non-executive director, Craig Styris. The other members of the NRC are Steven Fisher and Mark Haberlin.

The Company does not follow Recommendation 2.1 in full because the chair of the Nomination and Remuneration Committee, Craig Styris, is not an independent director. While Mr Styris is not an independent director, he is a non-executive director, and the Board considers that he is the most appropriate director to chair the Nomination and Remuneration Committee given his active involvement in the setting of the Company's executive remuneration framework and Board composition planning prior to listing.

#### *Nomination responsibilities*

Under its Charter, the NRC assists and advises the Board on:

- Board succession planning generally;
- induction and continuing professional development of the Board, its committees and directors;
- establishing processes for the identification and recruitment of suitable candidates for appointment to the Board; and
- establishing and implementing processes for reviewing the performance of individual directors, the Board as a whole, and Board committees

#### *Meetings and attendance*

The NRC meets as frequently as required to undertake its role effectively. The NRC met once during the Post-Listing Period. The attendance of the members of the NRC at each meeting held during the year ended 31 March 2021 is set out in the 2021 Annual Report.

### **Board skills, experience and expertise**

The Board recognises the need to have directors with a range of skills, experience and expertise that is appropriate for the Company, its strategic objectives, its values and its size. The Board will, by the time of the 2021 AGM, formally adopt a board skills matrix to identify the key skills and experience considered appropriate for the Board and to assist in identifying any gaps in the skills and experience of the current directors on the Board. The skills matrix will be disclosed in the 2022 Corporate Governance Statement.

Details of the skills, experience and expertise of the current Directors is set out in the 2021 Annual Report.

### **Independence**

A director is considered independent by the Board if the director is a non-executive director who is not a member of management and is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company as a whole rather than in the interests of an individual shareholder or other party.

The Board assesses on an ongoing basis whether each non-executive director is independent, having regard to the criteria set out above and the factors relevant to assessing the independence of directors set out in the commentary to Recommendation 2.3 in the 4<sup>th</sup> edition of the Principles and Recommendations.

Directors are required to provide all information to the Board which may be relevant to this assessment.

The Board considers that:

- each of Steven Fisher and Mark Haberlin is independent when assessed in accordance with the criteria and factors outlined above;
- Gary Rohloff, as Managing Director and CEO of the Group, is not independent; and
- Craig Styris is not independent by reason of his role as an Executive Director of Pioneer Capital, which is (via its associated entities) a substantial shareholder of the Company.

The roles of Chairman and CEO are separate and are not exercised by the same individual, and the Board Charter sets out the responsibilities of each office.

The directors were appointed on the following dates and have the following tenures as at the date of this Corporate Governance Statement:

<b>Director</b>	<b>Date of appointment</b>	<b>Tenure</b>
Steven Fisher	July 2020	11 months
Mark Haberlin	July 2020	11 months
Gary Rohloff	June 2020	12 months
Craig Styris	June 2020	12 months

### **Director induction, training and professional development**

The Company carried out a formal induction process for the Non-Executive Directors appointed in June and July 2020. The NRC will establish a formal program for inducting new directors in advance of any new directors joining the Board.

The Company is prepared to provide professional development options to directors reasonably requested by directors. The NRC will formalise training and education programs for new and existing directors in due course.

### **PRINCIPLE 3 – INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

The Company is committed to acting lawfully, ethically and responsibly in all its dealings. The Board requires that management creates a culture within the Company which promotes ethical and responsible behaviour.

## Values and Code of Conduct

The Company's current values are set out below:

- **Customer first** – Make customers and their needs the primary focus of our actions.
- **One Team** – Respect one another's strengths and weaknesses. Support fellow team members and achieve success through teamwork. Step outside the boundaries of "my job" and help others in theirs. Think "us" not "I" and "we" not "me".
- **Integrity** – Walk the talk, deliver on promises, admit mistakes, demonstrate honesty, keep commitments, behave consistently and responsibly.
- **Making a difference** – Strive to bring about positive change in everything we do. Add value to the team and make every day count.
- **Innovation** – Develop better, smarter, faster ways of doing things. Look beyond the way things have always been done. Try new things, be bold and find ways to achieve things that initially seem impossible!
- **Fun** – Celebrate our success and the success of our teammates; keep a sense of humour and find enjoyment in every day. Be positive and up-beat.

The Board has approved these values and has charged the senior executive team with the responsibility of inculcating them across the business. The values are expected to be refreshed at the end of July 2021.

The Company's Code of Conduct applies to directors, senior executives and employees. An updated Code of Conduct was approved by the Board in June 2021. The Code of Conduct is available on the Company's investor website and is included as part of the induction process for new directors, senior managers and employees. The Code requires that material breaches of the Code of Conduct are notified to the Audit and Risk Committee or the Board.

### Whistleblower Policy and Anti-Bribery and Anti-Corruption Policy

The Company has a Whistleblower Policy and an Anti-Bribery and Anti-Corruption Policy which are available on the Company's website.

The Company's Whistleblower Policy applies to all directors, senior executives and employees and certain third parties interacting with the Company. It requires that all material whistleblowing concerns received are reported to the Audit and Risk Committee or the Board.

The Company's Anti-Bribery and Anti-Corruption Policy applies to all directors, senior executives and employees and certain third parties acting for or on behalf of the Company. It requires that all material breaches of the policy are reported to the Audit and Risk Committee or the Board.

## PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS

### Audit and Risk Committee

The ARC currently consists of three non-executive directors, two of whom are independent, and is chaired by an independent director, Mark Haberlin. The other members of the ARC are Steven Fisher and Craig Styris.

The qualifications of the directors on the ARC are set out in the 2021 Annual Report. The Board considers that the ARC is an appropriate size and is sufficiently independent. Members of the ARC are considered to have the accounting and financial expertise, and sufficient understanding of the industry in which the Group operates and the Group's internal control systems, to be able to discharge their audit responsibilities on the ARC.

### *Audit responsibilities*

The ARC assists the Board in fulfilling its responsibilities in relation to the Group's financial reports, financial reporting processes and audit processes. The ARC Charter sets out a detailed list of the ARC's responsibilities in the areas of financial reporting, the appointment of the external auditor and the conduct of the external audit.

The ARC meets as frequently as required to undertake its role effectively. The ARC met 3 times during the Post-Listing Period. The attendance of the members of the ARC at each meeting held during the year ended 31 March 2021 is set out in the 2021 Annual Report.

### **CEO and CFO declaration and assurance**

In accordance with the Principles and Recommendations, for both the half year ended 30 September 2020 and the financial year ended 31 March 2021, the Board received written declarations from the Managing Director and CEO and the CFO that:

- in their opinion the financial records of the Group have been properly maintained and that the relevant financial statements comply with the appropriate accounting standards and give a true and fair view of the Group's financial position and performance; and
- the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

### **Process for verification of integrity of periodic corporate reports**

The Company has vetting and authorisation processes in place to ensure that its periodic corporate reports are factual, complete, accurate and understandable. Management verifies all material factual content for all reports prior to finalisation, with the assistance of external advisors as required. The report is then provided to the Board for its review and approval.

### **PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

The Company is subject to continuous disclosure obligations under the ASX Listing Rules. Subject to some limited exceptions, under the continuous disclosure requirements, the Company must immediately notify the market, through the ASX, of any information which a reasonable person would expect to have a material effect on the price or value of the Company's shares.

### **Continuous Disclosure Policy**

The Board has adopted a Continuous Disclosure Policy, which is available on the Company's website. The objectives of the Policy are to establish procedures for:

- the reporting of price sensitive information to the Chief Executive Officer and/or the Board for review;
- the preparation, approval and release of announcements to the ASX; and
- ensuring compliance by Laybuy with its continuous disclosure obligations under the Australian Corporations Act and the ASX Listing Rules.

The Company has appointed Jonathan Swain, the Company Secretary, as the person responsible for communication with ASX in relation to listing rule matters and also for the general administration of the Continuous Disclosure Policy.

### **Circulation of material market announcements to the Board**

The Company Secretary is responsible for circulating to the Board copies of all material ASX announcements released by the Company promptly after they have been released on the ASX Market Announcements Platform.

## **Investor and analyst presentations and shareholder briefings**

All new and substantive investor and analyst presentations are released to the ASX Market Announcements Platform ahead of the presentation. The Company also provides a live-streamed Zoom briefing on its quarterly, half-year and full-year results following the release of those results to ASX. These briefings are available to all shareholders via a link announced to the ASX, and recordings of the briefings are then made available on the Company's website.

## **Securities Trading Policy**

The Company has a Securities Trading Policy which regulates dealings in the Company's shares. The Policy is available on the Company's website.

The Policy applies to all directors, officers and employees of the Group, all other personnel of the Group, including contractors and family members, trusts, partnerships, bodies corporate, nominees and other persons, over which directors, officers, employees and other personnel have, or may reasonably be expected to have, investment control or influence.

Subject to the overriding restriction that persons may not deal in any securities when they are in possession of inside information, people to whom the Policy applies may generally only buy or sell securities of the Company:

- during trading windows, being the periods immediately following the release to ASX of the Company's half-year and full-year results and the AGM; and
- after following the clearance procedures set out in the Policy.

## **PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**

The Company is committed to giving all shareholders timely and equal access to information about its activities so as to enable shareholders to make informed investment decisions and effectively exercise their rights as shareholders.

### **Information on website**

The Company's investor website contains information about the Company and its governance, including:

- all announcements lodged with the ASX, including annual and half-year financial results;
- the Board and Committee Charters, the Company's constitution, and the key corporate governance policies referred to in this statement, or a summary of them;
- names, photographs and brief biographical information for each of the Company's directors and senior executives;
- the Company's most recent Annual Report;
- information about the Company's AGM, including the notice of meeting, once available;
- historical market price of the Company's shares;
- company and registry contact details for shareholders, analysts and the media;
- copies of slide presentations and recordings of half-year and annual briefing presentations of results.

The Company has a dedicated Investor Relations email address ([investors@laybuy.com](mailto:investors@laybuy.com)) to assist shareholders with any queries. This email address is included in any material ASX announcements to assist.



## **Investor relations program**

When results are announced, senior management gives a number of presentations to investors. Shareholders, analysts and the media are also able to email the Investor Relations address noted above to ask questions and to request to set up meetings, where appropriate. The Board considers that the current level of investor relations engagement to be appropriate given the size of the Company.

## **Participation and voting at shareholder meetings**

The Board will encourage shareholder participation in shareholder meetings by enabling shareholders to ask questions both before and during each meeting, and by including details of how shareholders may do this prominently in each notice of meeting.

All shareholder resolutions will be undertaken in accordance with the Company's constitution, the New Zealand Companies Act and the ASX Listing Rules. Substantive resolutions at all shareholder meetings will be determined by a poll rather than a show of hands.

## **Electronic communications with shareholders**

The Company's contact details are available on its investor website. Shareholders can submit an electronic query to the Company via its investor website or contact its registry, Link Market Services. All shareholders have the option to receive communications by email.

## **PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

### **Risk oversight and management**

The Company recognises risk management as an integral part of good corporate governance and as fundamental in achieving its strategic and operational objectives.

#### *Board responsibilities*

Under the Board Charter, the Board has ultimate responsibility for establishing an appropriate risk management framework for the Group, and, in doing so, determining the level of risk that the Group is prepared to accept. The Board has adopted a Risk Management Policy, a copy of which is available on the Company's website.

#### *Audit and Risk Committee responsibilities*

The ARC assists the Board in fulfilling its responsibilities in relation to the Group's financial and non-financial risk management systems and its compliance framework. The ARC Charter sets out a detailed list of the ARC's responsibilities in the areas of risk management and compliance. In particular, the ARC is responsible for reviewing the Group's risk management framework at least annually to assess whether it continues to be sound, and for monitoring and reviewing management's performance against the risk management framework.

Members of the ARC are considered to have sufficient understanding of the Group's structure, controls and typical transactions, and the industry in which the Group operates, to be able to discharge their risk responsibilities on the ARC.

Details of the composition of and governance arrangements relating to the ARC are set out above in the commentary on Principle 4.

### **Risk Management Framework**

The Company has established governance structures, frameworks, policies, and procedures to identify, assess and manage material risks including emerging risks. The Board has overall responsibility for ensuring that the risk management framework and key risk policies are adequate and fit for purpose.

The Risk Management Framework was reviewed by the ARC during the reporting period and will be further reviewed by the ARC and the Board during 2021.

The Board is satisfied that management has developed and implemented a sound system of risk management and internal control.

#### **Internal audit function**

The Board considers that an internal audit function is not currently required but is prepared to implement one if the Company's position changes.

The Board delegates to the ARC the responsibility for overseeing the material risk management systems for financial and non-financial risks, and internal control processes.

The ARC monitors business risk management processes via quarterly risk reporting. The Board is satisfied that the processes in place to identify the Company's material business risks are appropriate and that these risks are being effectively managed.

#### **Environmental and social risks**

The Company maintains a register of risks that it considers are likely to have a material effect on the Company's financial performance or value over the short, medium and long term. These risks are monitored by the ARC and the Board. The Company categorises the material risks to which it is exposed as strategic, operational and financial. The Board does not consider that the Company is exposed to material environmental or social risks within the definitions set out in the Principles and Recommendations.

### **PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

#### **Remuneration oversight and management**

The Board and the NRC are primarily responsible for the oversight of the Company's remuneration framework and policies. Details of the composition of and governance arrangements relating to the NRC are set out above in the commentary on Principle 2.

The Company does not follow Recommendation 8.1 in full because the chair of the Nomination and Remuneration Committee, Craig Styris, is not an independent director. While Mr Styris is not an independent director, he is a non-executive director, and the Board considers that he is the most appropriate director to chair the Nomination and Remuneration Committee given his active involvement in the setting of the Company's executive remuneration framework and Board composition planning prior to listing.

The NRC is responsible for reviewing and making recommendations to the Board regarding the policy for remunerating executives and non-executive directors. Details of the Company's remuneration framework are set out in the Remuneration Report which forms part of the 2021 Annual Report.

#### **Remuneration policies and practices**

The Company's policies and practices regarding the remuneration of non-executive directors, executive directors and other senior executives are set out in detail in the Remuneration Report which forms part of the 2021 Annual Report. The 2021 Annual Report is available on the Company's website.

#### **Restrictions on limiting the economic risk of equity-based remuneration**

The Company's Securities Trading Policy prohibits all participants in an approved share or option plan or who otherwise hold securities in the Company which are subject to performance or other vesting conditions or escrow from engaging in any conduct that seeks to secure the economic value attaching to the relevant securities and remove the element of price risk inherent in the value of those securities, while the securities remain unvested or subject to escrow.

**PRINCIPLE 9 – RECOMMENDATIONS APPLYING TO ENTITIES ESTABLISHED OUTSIDE AUSTRALIA**

The Company is established in New Zealand. Its first meeting of security holders in June 2021 was held during business hours in both New Zealand and Australia and using virtual meeting technology which permitted security holders to attend from any location. The Company has not yet held an AGM but will ensure that its external auditor attends the AGM and is available to answer questions from security holders relevant to the audit.